RIGHT SKILLS >> RIGHT PLACE >> RIGHT TIME >>

ANNUAL SERVICE PLAN REPORT 2010/11

ita
industry training authority

vision

Highly skilled and productive people making British Columbia's industries prosperous and globally competitive

mission

To lead British Columbia's industry skills training and certification system through collaboration and innovation

TABLE OF CONTENTS

02 Message from the Board Chair
03 Message from the Chief Executive Officer
04 ITA and Industry Training: An Overview
09 Governance
10 Operating Environment
12 Report on Performance
18 Performance Data: Sources and Benchmarks
20 Government/Shareholder Expectations
22 Financial Report
36 Key Statistics
40 Glossary

Front cover photo:
Professional Cook apprentice Bryn McArthur with executive chef Robert Le Crom at the Fairmont Hotel Vancouver.

Performance Summary

The Industry Training Authority (ITA) pursued three broad goals in 2010/11, as defined in its strategic plan, and various related strategies. The year's Service Plan was released in March 2010. It defined eight performance measures and associated targets, as a basis for determining the success in meeting the goals. The ITA achieved targeted performance on five of the eight measures.

GOALS	MEASURES	09/10 RESULTS	10/11 RESULTS	10/11 TARGET	10/11 TARGET MET	10/11 TREND	11/12 TARGET	12/13 TARGET
Individuals are recognized for their skills and knowledge and have opportunities to develop to their full potential								
1	Total registered training participants*	41,803	38,277	39,000	No	▼	37,000	38,000
	Registered challengers	1,407	1,670	1,400	Yes	▲	1,500	1,600
	Certificates of Qualification issued	7,179	7,318	7,000	Yes	▲	7,000	7,500
Employers and industry have the skilled workers they need to be successful								
2	Registered participants in ITO-managed programs	95%	95%	97%	No	—	97%	97%
	Total registered sponsors	10,789	9,856	10,250	No	▼	10,600	11,000
	Employment in trades 6–12 months after acquiring Certificate of Qualification	99.6%	99.6%	99.3%	Yes	—	99.3%	99.3%
The industry training system makes a vital contribution to B.C.'s prosperity								
3	Capacity utilization	92.0%	89.3%	88.5%	Yes	▼	88.5%	TBD
	Apprentices waiting >12 months for next level of training	3.2%	2.3%	5.0%	Yes	▼	5.0%	5.0%

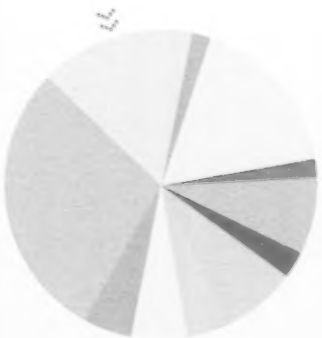
* Includes apprenticeship, foundation program and youth apprenticeship participants

Top Training Programs

By Number of Registered Apprentices
as of March 31, 2011

Clockwise from marked :

- 5,454 Carpenter 16%
- 753 Industrial Mechanic (Millwright) 2%
- 5,742 Electrician 17%
- 729 Refrigeration & A/C Mechanic 2%
- 2,807 Plumber 8%
- 894 Heavy Duty Equipment Technician / Mechanic 3%
- 2,956 Cook 8%
- 1,295 Hairstylist (Cosmetologist) 4%
- 2,049 Automotive Service Technician 6%
- 1,675 Welder (all levels) 5%
- 10,251 All other programs 29%

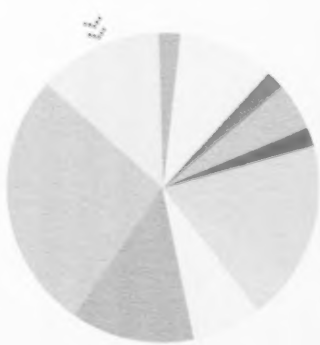


Total Registered Apprentices[1]: 34,605

By Number of Newly Registered Apprentices
during 2010/11

Clockwise from marked :

- 1,732 Carpenter 13%
- 256 Industrial Mechanic (Millwright) 2%
- 1,433 Electrician 10%
- 230 Residential Framing Technician 2%
- 748 Plumber 5%
- 268 Heavy Duty Equipment Technician / Mechanic 2%
- 1,962 Cook 14%
- 621 Hairstylist (Cosmetologist) 5%
- 894 Automotive Service Technician 7%
- 1,766 Welder (all levels) 13%
- 3,704 All other programs 27%



Total Newly Registered Apprentices: 13,614

[1] Figures include youth participants and exclude foundation program participants

Our ability to put the demand-driven principle into practice is now enhanced

To the Honourable Pat Bell
Minister of Jobs, Tourism and Innovation

In 2010/11, Industry Training Authority (ITA) remained focused on bolstering industry training participation despite the continuing after-effects of the recession, and on preparing for anticipated resumption in labour demand growth. With improved insight into future needs, we are better equipped to deliver the right workers with the right skills in the right places and at the right times.

Last year's performance was mixed, but on balance, the results show that we did reasonably well in difficult times. Where we fell short on targets, it was only narrowly, and we are ready to meet the performance expectations of our new Service Plan.

On the most critical outcome measure — Certificates of Qualification issued to new trades journeypersons — ITA achieved its 2010/11 target. We were also on target for registered challengers, capacity utilization of technical training seats, and employment outcomes.

We were not as successful as hoped in moderating the reduction in the number of sponsors, typical in post-recession periods and a factor in the number of total training participants being below target. But, as labour supply pressures again begin to increase and more employers recognize the advantages of investing in apprenticeship as an effective path to relieving those pressures, we anticipate renewed sponsorship growth for 2011/12.

Improved Insight

We've long known from broad demographic trends that B.C.'s economy can't afford a sustained drop-off in industry training participation. This became clearer with the *BC Trade Occupations Outlook* report. Published by the former Ministry of Advanced Education and Labour Market Development in 2010/11, it projects key supply and demand factors on occupation- and region-specific bases to 2019 (see page 08).

The demand-driven principle has been central to B.C.'s industry training model since ITA's inception, and our ability to put the principle into practice is enhanced by the *BC Trade Occupations Outlook*. Last year, it informed training purchases and target setting and it will closely guide future planning. Additional economic modelling has helped translate its demand projections into sound investments in technical training.

Operational Advances

As well as improving our sightlines on future needs, ITA advanced other operational priorities in 2010/11, all linking training outcomes to labour market needs.

We continued to refine our working relationships with the province's seven sector-specific Industry Training Organizations. Still relatively new organizations, they play a unique and central role in innovative training development and delivery, as CEO Kevin Evans elaborates in his 2010/11 message.

In addition to other major accomplishments last year, we also focused on:

- Work to improve trades participation by youth, and by groups who are under-represented or who face barriers in pursuing trades careers (see page 10)
- Better customer service, including leveraging the expertise of service representatives and opening our Direct Access information system to more users across the province
- Advancing training and assessment, with a focus on innovative alternative approaches in B.C. and elsewhere across Canada

Our financial performance during the year was of course also shaped by the impact of economic conditions. Reduced training demand moderated our spending under some headings and we finished the year with a surplus, that will be used to fund ITA capital projects.

We face challenges in 2011/12, with many employers still unable or unready to restore training investments, but we will strengthen employer outreach efforts to ensure that the province satisfies its future labour market demands. British Columbia's prosperity requires no less.

This annual report was prepared under the direction of the Board, which is accountable for its content and for the internal controls to ensure its accuracy. In accordance with the *Budget Transparency and Accountability Act* and the B.C. Reporting Principles, the report reflects performance for the year ended March 31, 2011, with reference to the March 2010 Service Plan. All significant decisions, events and identified risks as of May 31, 2011, have been considered.

Original Signed By:

Frank Pasacreta Chair

ITA produced a record number of skilled trades journeypersons with a Certificate of Qualification credential

To Our Partners and Stakeholders

2010/11 presented a troubling combination of circumstances — a second year of downward training participation trends and a new labour market outlook confirming the potential for major and not-too-distant shortages of skilled labour.

At the same time, ITA performed above, at or very near target levels, producing a record number of skilled trades journeypersons with Certificate of Qualification credentials. We were also successful in honing the training system's overall effectiveness and building on positive aspects of key partnerships.

We continued to work to better connect workers and employers, with full regard for the distinct economic and skills profiles of the province's regions and sectors. In this way, we contributed to all of the broad priorities — skills development, attracting workers from outside B.C., and productivity improvement — defined in *Skills for Growth: British Columbia's Labour Market Strategy to 2020*.

Clarity and Engagement

ITA worked during 2010/11 to refine its relationships with Industry Training Organizations (ITOs), mainly through a new ITA-ITO Leadership Advisory Forum and a CEO working group. These groups sharpened the focus on our respective roles and clarified where common approaches would be productive, such as expanding employer sponsorships.

This kind of collaboration produced concrete on-the-ground progress. For instance, we completed a two-year Standards Improvement Project in cooperation with ITOs and training providers. This means clearer, streamlined guidelines, processes and tools for those developing and maintaining training programs. We quickly saw tangible improvements in these vital functions.

ITA also completed a comprehensive audit that lays the foundation for more effective, meaningful communications with stakeholders. An example is an ambitious results-oriented engagement strategy to be implemented in 2011/12 with a key goal of reaching out to employers on increased apprentice sponsorship.

Various stakeholders have asked for more input to ITA strategic planning and policy development. We're listening, and we will be moving on this in the coming year. As well, ITA will seek industry help to continuously refine the labour market projections guiding our training purchases.

Finally, 2010/11 was a year of ongoing national engagement. I was honoured to begin a two-year term as chair of the Canadian Council of Directors of Apprenticeship, and ITA continued to give impetus to an emerging national consensus on occupational performance standards. These activities should help us leverage the innovative work already done in B.C. to develop enhanced alternatives to qualifications assessment by multiple choice exam alone.

Keeping On Our Game

Did all this make 2010/11 the "game changer" I predicted in my annual report message a year ago? Not entirely. Sponsorship levels declined, and that's cause for concern as there effectively is no industry training without sponsors. Still, we believe ITA's employer engagement plan, with help from ITOs, will shift sponsorship numbers in the right direction in 2011/12.

So we're certainly very much in the game — well positioned to reverse recent trends and to avoid falling short on coming labour market needs, and with improved insight on the precise scope and nature of those needs.

As always, our progress last year was very much the result of a team effort, and I extend heartfelt thanks to all of ITA's enterprise partners. We look forward to working with you in ever more effective ways in 2011/12 and beyond.

Original Signed By:

Kevin Evans Chief Executive Officer

ITA AND INDUSTRY TRAINING: AN OVERVIEW ››

Landscape Horticulturist apprentice Mike Clarke and journeyperson Egan Davis at the VanDusen Botanical Garden in Vancouver.

Public Purpose and Services

ITA governs, manages and continuously strives to improve B.C.'s industry training system. This is a critical area of post-secondary education — encompassing more than 140 skilled occupations and tens of thousands of apprentices and other training participants. Industry training contributes significantly to economic competitiveness and the growth of prosperity.

The core outcome of ITA's work is the awarding of credentials, or Certificates of Qualification, confirming that the men and women holding them are competent — that each is a certified journeyperson in a particular trade.

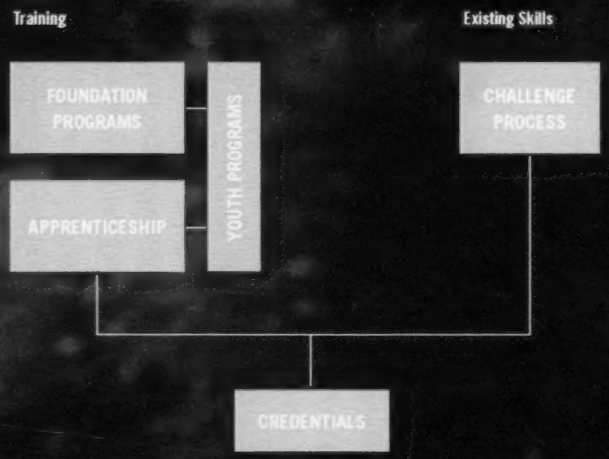
The credentials benefit the journeypersons earning them and the employers relying on them in hiring decisions. These groups are ITA's two main customers.

Pathways and Participants

We offer two basic pathways to credentials, one based on training programs (to which there are different entry points) and one based on the "challenge" process. Working relationships with our major partners — Industry Training Organizations (ITOs) and training delivery organizations — help make this possible.

Pathways

- **Foundation programs** are classroom instruction or distance learning offered by trainers to provide grounding in skills required for particular occupations. Although optional, these programs are popular starting points for people with little or no experience who can earn credit toward apprenticeship completion.
- **Apprenticeship programs** combine work-based training provided by employers or other sponsors, with periodic technical training. Apprentices earn credentials by meeting specific learning requirements and passing exams and possibly other assessment requirements.
- **Youth programs** offer opportunities to pursue foundation programs or apprenticeship as part of a high school education.
- **The challenge process** is an alternative route for people who can demonstrate extensive experience in an occupation, possibly combined with training in another jurisdiction. They can earn credentials — without completing a B.C. training program — by passing exams possibly along with other assessment requirements.



ITA DELIVERS TRAINING AND SERVICES THROUGH PARTNERSHIPS WITH:	
Industry Training Organizations	ITOs are independent not-for-profit organizations established by industry within specific sectors. They provide input on program standards and training plans, promote sponsorship, and deliver services such as assessment of challenger applications. Their partnership agreements with ITA define responsibilities and performance expectations.
Technical Training Providers	These are public and private trainers delivering foundation programs and institution-based or technical training for apprenticeships. ITA training plans define the training and related performance measures.

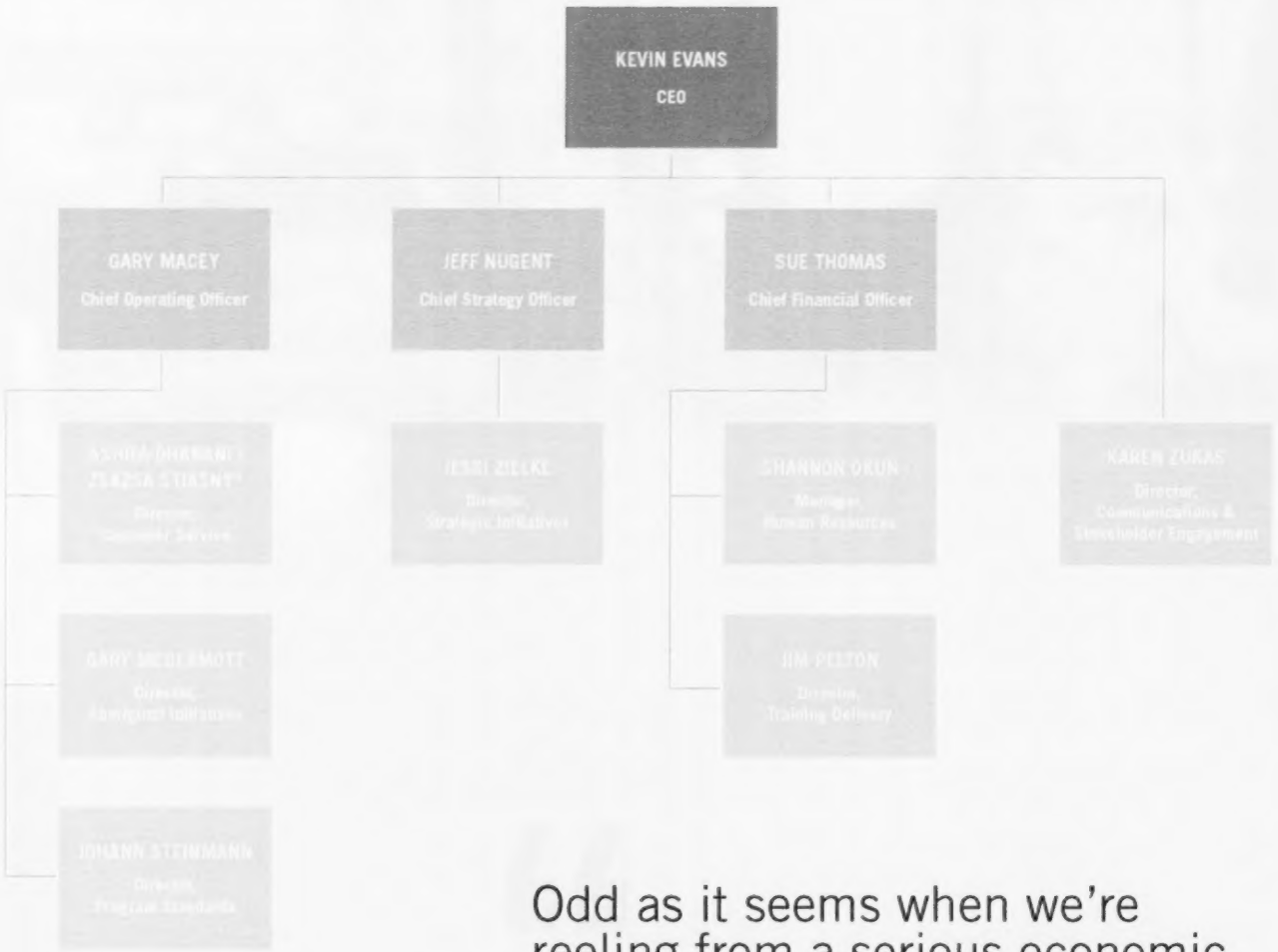
TWO CUSTOMERS GROUPS BENEFIT FROM ITA ACTIVITIES:	
Training Participants and Challengers	These individuals get the benefit of good employment and career opportunities based on the credentials they earn.
Industry and Employers	Industry training-dependent sectors and employers get the benefit of hiring workers with well-developed and verified skills that meet labour market needs.

ITA's legislative mandate and specific accountabilities are defined in the *Industry Training Authority Act*. The Provincial Government gives us additional direction in an annual Shareholder's Letter of Expectations (see page 20). ITA delegates some specific trade responsibilities to ITOs, which ensures that training for their sectors is industry driven and meets the needs of the B.C. economy.

Locations and Structure

ITA's offices are in Richmond and Vancouver, the latter primarily a customer service centre. Information and examination services are also available through Service BC's approximately 60 locations around the province. Technical training is provided by dozens of public and private trainers throughout the province.

ITA Senior Management Team



* Maternity leave coverage

Odd as it seems when we're reeling from a serious economic shock, it's a shortage of workers, not of jobs, that's likely to cause the worst future woes for B.C. and Canada.

Don Cayo
Vancouver Sun business columnist

Journeyperson Warren Clark and Automotive Service Technician apprentice Dan TenHoeve at Yonker Honda in Langley.

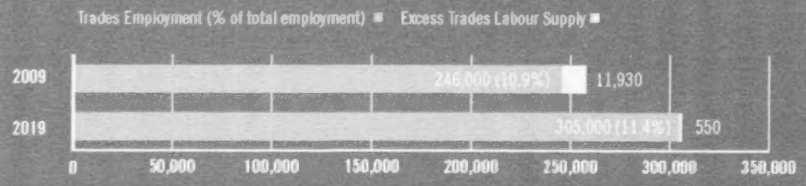
TRADE OCCUPATION NEEDS: LOOKING TO 2019

Last year, the former Ministry of Advanced Education and Labour Market Development released its first *BC Trade Occupations Outlook* report, as a component of the broader *BC Labour Market Outlook* and to support *Skills for Growth: British Columbia's Labour Market Strategy to 2020*. The full report is at:
www.workbc.ca/docs/BC_tradesoccupationoutlook_2009-2019.pdf

This is a valuable source of new labour market information that began guiding ITA activities in 2010/11. In combination with other related analysis it forecasts continued relatively moderate recovery in labour market demand. For instance, trades job openings in construction will remain below pre-recession peaks for several years.

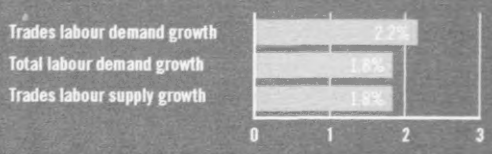
Key findings such as the following, however, confirm the urgency of ensuring high levels of targeted industry training participation.

B.C. Trades Employment

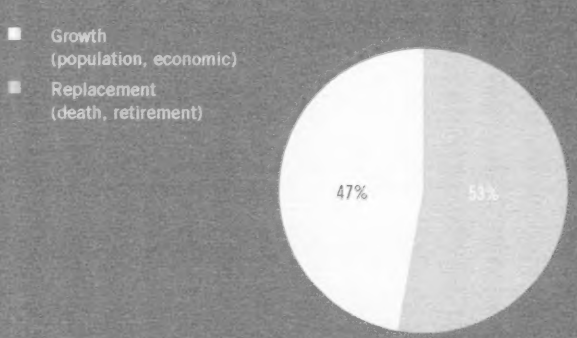


B.C. Demand and Supply Growth (average annual 2009–2019)

(in percentage)



Drivers of Trades Labour Demand (2009–2019)



BETTER WAYS TO LEARN, BETTER WAYS TO DEMONSTRATE SKILLS

Using Canada-BC Labour Market Agreement (LMA) funding, ITA continued to improve the flexibility of opportunities to both pursue training and earn credentials in 2010/11.

The E-pprentice initiative is creating opportunities to pursue apprenticeship technical training from home, typically using interactive media and other e-learning tools. LMA-supported e-learning programs were piloted in the Professional Cook 1 trade and will soon be piloted for the Welder C trade. This supplements existing e-learning modules for Automotive trades. Development of a strategy for broader rollout will begin in 2011/12.

And building on earlier pilots, an enhanced assessment model is now being used for challengers (those seeking credentials based on existing skills) in the Cook trade, and further piloting in the Heavy Duty Equipment Technician trade was ongoing at year-end.

Enhanced assessment involves multiple techniques, such as technical interviews and practical assessment. It is a reliable way of assessing competency and it eliminates the barrier that an exclusive reliance on an exam creates for many potential challengers.

ITA and the relevant ITOs are also engaged with the Canadian Council of Directors of Apprenticeship to help facilitate piloting of enhanced assessment in other jurisdictions, and to develop a framework for its application in the Red Seal program. A road map for wider use in B.C. will be developed in 2011/12.

$1.0 million in LMA funding was directed to these two areas of activity in 2010/11.

> "Without additional supply of trades labour, demand will go unsatisfied"
>
> **BC Trade Occupations Outlook**

GOVERNANCE

ITA is governed by nine directors appointed by the Minister of Jobs, Tourism and Innovation. With diverse backgrounds and extensive industry and training-related expertise, directors are guided by the best interests of ITA and its customers. Four directors were reappointed for varying terms during 2010/11.

Appointments are guided by principles and processes established by the B.C. Government's Board Resourcing and Development Office (BRDO). Among other criteria, this ensures that the Board has an appropriate mix of financial and other expertise and that it is geographically representative.

ITA maintains a high level of compliance with BRDO's Best Practices Guidelines and complies with disclosure requirements in section three of that document. www.itabc.ca/Page59.aspx

Directors and Committee Responsibilities

Back row, left to right:

Jack W. Davidson	Audit
Kurt Krampl	Governance, Human Resources
Tom Kirk	Human Resources (chair), Governance
Allan Bruce	Governance (chair), Human Resources
Suromitra Sanatani	Human Resources
Jack Carthy	Audit (chair), Governance

Front row, left to right:

Laura Stanton	Audit
Frank Pasacreta	Chair, ex officio member of all committees
Patty Sahota	Audit

BOARD ROLE

- Setting vision and strategic direction and empowering management to pursue it
- Ensuring appropriate risk-management measures are in place
- Holding management accountable for defined performance results
- Ensuring effective use of resources
- Reporting to government, stakeholders and the public at large

GOVERNANCE PRINCIPLES

- Directors are independent of both government and ITA management
- Terms of reference clearly define expectations
- Oversight of management is meaningful
- Board and employees follow a rigorous code of conduct
- Governance improves continuously through professional development of directors and annual Board assessments
- Governance practices are transparent

OPERATING ENVIRONMENT >>

During 2010/11, lingering fallout from the recession was the most significant factor affecting ITA results and shaping its strategies. Previous economic downturns had similar effects on training in B.C.

Last year brought declines in new registrations, total training participation, sponsorship and technical training participation — all attributable to the recession. Generally, this reflected less ability and willingness by employers to offer work-based training and by apprentices to begin or continue their programs.

If sustained, reduced demand for technical training would create a twofold risk: that B.C. would not have enough skilled workers to meet projected mid-term requirements, and that resource reallocations would lead to loss of trades-related capacity at training institutions. Details on ITA responses to these recession-related risks appear in the discussion of specific performance results (beginning on page 12).

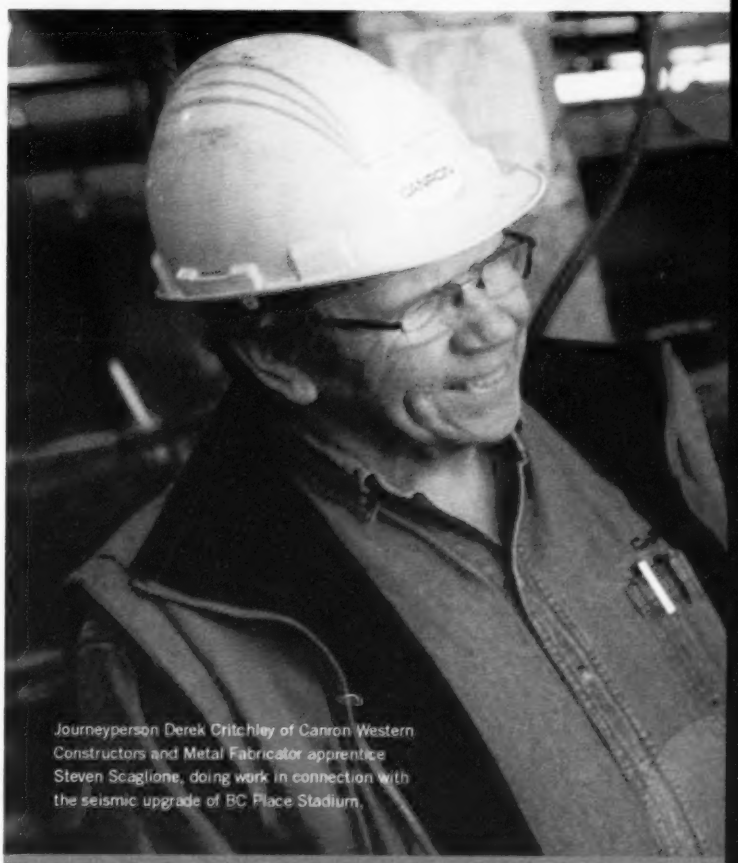
Demographics and labour market participation remained salient features of ITA's operating environment last year. Confirming this was the *BC Trade Occupations Outlook* report, which projected that labour market demand growth would exceed supply growth in a number of trades. ITA responses were to emphasize programs fostering more trades participation by women, immigrants and Aboriginal people and to bring more youth into training (see article to the right).

Other opportunities pursued in 2010/11 involved improving the effectiveness of ITA's working relationships with key partners. This included clarifying the roles of ITA and the ITOs in areas such as program development, sponsor recruitment and customer service. A stakeholder engagement audit last year provided a basis for further improvements in 2011/12.

Service milestones last year included operational improvements at ITA's customer service centre and continued expansion of functionality of its Direct Access information system.

Such efforts demonstrate that our well-established provincial training system is continuously evolving. Over time, these efforts will continue to generate improvements on multiple measures.

KEY RISK FACTORS	KEY OPPORTUNITIES
• Insufficient skilled labour supply — Lack of sponsorship — Lack of training participants	• Fostering labour supply (target groups)
• Loss of technical training capacity	• Improved engagement and partnerships
	• Improved customer experience



Journeyperson Derek Critchley of Canron Western Constructors and Metal Fabricator apprentice Steven Scaglione, doing work in connection with the seismic upgrade of BC Place Stadium.

>> MEETING DEMAND: ITA SUPPLY-SIDE INITIATIVES

Priorities and targets for industry training in B.C. are based on forecast labour market needs. But is the pool of potential apprentices large enough to meet the demand? Central to ITA's response are efforts to make trades training more accessible to groups who are under-represented or who face barriers in pursuing trades careers.

Three sets of programs are being funded through the Canada-BC Labour Market Agreement (LMA), under which the Province is receiving approximately $66 million in annual funding over six years.

Targeting Under-Representation

Women in Trades Training (WITT) and Immigrants in Trades Training (ITT) programs offer customized support to unemployed or under-employed individuals wanting to launch trades careers. This includes help with overcoming specific barriers. For women, it may be providing financial assistance to meet child care costs. For immigrants, it may be improving language skills or getting recognition for existing skills and prior training.

ITA partners with service and training providers across the province, connecting women and immigrants with training opportunities and sources of support such as skills upgrading and career counselling.

Our programs expand the pool of potential qualified journeypersons, opening doors for women and immigrants who don't qualify to access Employment Insurance programs and supports.

Leveraging Aboriginal Potential

ITA *Aboriginal Initiatives* are becoming an important part of our supply-side strategy. B.C.'s young, fast-growing and 200,000-strong Aboriginal population can be a major factor in overcoming skills shortages.

Our programs tailor support to help unemployed and under-employed Aboriginal people begin and advance through industry training. Guided by a provincial Aboriginal Advisory Committee, we work closely with relevant community-based service and training agencies.

In 2010/11, seven Aboriginal training programs supported skills upgrades and employment readiness in multiple trade occupations and in more than 20 communities across the province.

A Youthful Influence

ITA *Youth Initiatives* are programs that launch trades careers in partnership with the B.C. Ministry of Education. With a solid track record of recruiting youth into trades, these programs — YES 2 IT, ACE IT and SSA — constitute one of the most effective responses to the demographic challenge inherent in labour market demand.

YES 2 IT gives students in grades 6 to 9 hands-on exposure to the workplace and a chance to connect with tradespersons in their communities.

ACE IT combines work experience and post-secondary-level instruction to let students earn dual high school and apprenticeship credits before graduation.

SSA offers high school students a chance to start apprenticeships before graduation and earn high school credits for trades training.

Our total budgeted investment in youth programming in 2010/11 was approximately $7.2 million, including funding for the Career Education Society (CES), which is assisting school districts with increasing their capacity to deliver ITA youth programs.

2010/11 ITA LMA-Funded Initiatives

INITIATIVE	APPROVED FUNDING	PARTICIPANTS[1]
Women in Trades Training	$4.2 million	450
Immigrants in Trades Training	$1.5 million	300
Aboriginal Initiatives	$2.1 million	355

Aboriginal Apprentices in B.C. Public Post-Secondary Institutions

Percentage of all Apprentices (number of apprentices)

[1] Targeted numbers — confirmed participation figures were not yet available at the time this report was prepared.

1 Individuals are recognized for their skills and knowledge and have opportunities to develop to their full potential

Strategies

- Expand application of the E-pprentice model (training accessibility) to additional trades
- Expand provincial reach of demonstration programs that successfully increased participation of women and immigrants
- Implement short-term recommendations of the Aboriginal business plan, and increase emphasis on pre-apprenticeship training for Aboriginal people
- Implement and evaluate an essential skills pilot
- Promote broader application of alternative assessment models through the development and use of occupational performance standards

Measure: Total Registered Training Participants

PERFORMANCE			TARGETS		
2008/09	2009/10	2010/11	2010/11	2011/12	2012/13
44,076	41,803	38,277	39,000	37,000	38,000

Active participants in apprenticeship, foundation and youth apprenticeship programs

Importance: This is a measure of the size of the larger of two pools from which newly credentialed journeypersons are drawn (the other being registered challengers, covered below). The measure indicates future numbers of journeypersons because training program completion is the most common pathway to obtain credentials. Targets are set to align with the overall mid-term provincial labour market outlook, while also taking into account recent results on this measure and the impact of economic conditions.

Outcomes: Total registered participants declined for a second year after growth over the five previous years. The 2010/11 total is two per cent below target, which is mainly attributable to a recession-driven decline in employment-based training sponsorships. While typical of the previous post-recession periods, last year's sponsorship activity was lower than expected. Proportionately higher resource allocations to foundation programs, which do not require sponsorships, offset the decline in participation. Other actions were less effective, such as allocating resources to upper years of training and adjusting policy to facilitate completion despite employment interruption.

ITA's new Service Plan reduces future targets to better align with a mid-term trades labour market outlook that is characterized by relatively modest economic recovery (targets for 2011/12 and 2012/13 were originally 40,000 and 41,000). The modest margin by which the 2010/11 target was missed is not expected to affect the achievement of future targets, particularly in light of plans for enhanced employer engagement focusing on promoting sponsorship. Promoting training participation by target groups also remains central to ITA efforts to improve performance on this measure (see page 10).

See benchmark comparisons, page 19.

Measure: Registered Challengers

PERFORMANCE			TARGETS[2]		
2008/09	2009/10	2010/11	2010/11	2011/12	2012/13
n/a	1,407	1,670	1,400	1,500	1,600

Individuals approved to be assessed for credentials based on previous experience and existing skills

Importance: This is a measure of the size of the smaller of two pools from which newly credentialed journeypersons are drawn (the other being registered training participants, covered above). The challenge process is a common pathway for individuals with foreign experience and training, a group likely to play a growing role in meeting labour market needs. Targets are set to align with the overall mid-term provincial labour market outlook while also taking into account recent results on this measure.

Outcomes: Strong performance may reflect ITA efforts in 2009/10 to streamline the application process and increase processing capacity, while anecdotal indicators suggest that more challengers seek certification during employment interruption resulting from economic conditions. The margin by which performance exceeded target is largely accounted for by the impact of new mandatory certification requirements for crane operators, and a shift to progressive credentials (i.e. credentials associated with specific levels of training) in several Automotive trades.

Measure: Certificates of Qualification Issued

PERFORMANCE			TARGETS		
2008/09	2009/10	2010/11	2010/11	2011/12	2012/13
6,038	7,179	7,318	7,000	7,000	7,500

Credentials issued on successful completion of apprenticeships or challenge processes (doesn't include certificates for foundation program completion)

Importance: This measures the total number of newly credentialed journeypersons. Targets are set to align with the overall mid-term provincial labour market outlook, while considering recent participation trends and typical training progression.

Outcomes: Previous strong year-over-year growth on this measure moderated in 2010/11. Earlier growth was believed to result in part from program completion by long-term apprentices, but fewer of them were likely in the system in 2010/11. Contributing to on-target performance here was the number of successful challengers — a measure on which performance significantly exceeded target for reasons noted above.

ITA's new Service Plan reduces future targets to better align with a mid-term trades labour market outlook characterized by a relatively modest economic recovery (targets for 2011/12 and 2012/13 were originally 7,500 and 8,000). We expect growth in this measure to be supported by the availability of enhanced assessments that are not based solely on exams.

See benchmark comparisons, page 19.

[2] Targets for this measure were TBD when the 2010/11 Service Plan was prepared and were set subsequently.

Residential Framing Technician Sam Wong, who earned his credential through the challenge process, and Ralph Belisle, president of TQ Construction.

Commercial Transport Vehicle Mechanic apprentice Surjit Johal and journeyperson Ken Sather at Coast Mountain Bus Company.

2 Employers and industry have the skilled workers they need to be successful

Strategies

- Leverage an ITO-led employer engagement strategy to increase sponsorship
- Leverage an ITO-led employer engagement strategy to keep program standards current
- Facilitate continuation in apprenticeship despite more limited work-based training opportunities
- Advance the development and use of occupational performance standards as a means of better reflecting employers' expectations and assessing workplace competency

Measure: Registered Participants in ITO-Managed Programs

PERFORMANCE			TARGETS		
2008/09	2009/10	2010/11	2010/11	2011/12	2012/13
94%	95%	95%	97%	97%	97%

The proportion of registered training participants in training programs for which ITOs have responsibility

Importance: This measure indicates the extent to which the principle of industry-driven training has been put into practice in B.C.'s trades training system. It shows active ITO involvement in ongoing program development and delivery. Targets are set with reference to the alignment between existing programs and ITO mandates.

Outcomes: The modest targeted increase was not achieved because no additional programs were assigned to ITOs in 2010/11. Nor was there any significant shift in participation between the majority of programs that are assigned to an ITO and the smaller number that are not. Program assignment received less attention than the broader issue of clarifying the relative roles of ITA and the ITOs. The question of program assignment remained open at year-end, with programs accounting for at least three per cent of participants expected to remain ITA responsibilities.

Measure: Total Registered Sponsors

PERFORMANCE			TARGETS		
2008/09	2009/10	2010/11	2010/11	2011/12	2012/13
10,884	10,789	9,856	10,250	10,600	11,000

The number of sponsors — mainly employers but also including associations, unions and joint training boards — of one or more active apprentices

Importance: Apprentices can only register and work toward journeyperson status if they have sponsors providing and overseeing employment-based training. Sponsorship levels indicate likely future output of credentialed individuals. Targets align with those for total registered participants.

Outcomes: Sponsorship was four per cent below target, the second consecutive annual decline following growth over the five previous years. Consistent with previous post-recession periods, this decline reflects staff reductions commonly emphasizing junior employees, as well as employers' continuing caution about resuming hiring.

The labour market outlook indicates a risk of significant skill shortages without a relatively quick recovery in sponsorships. In collaboration with ITOs, ITA plans a 2011/12 employer engagement strategy with a focus on sponsorship recruitment. The strategy will rely on best practices research and identifying support to assist employers in becoming sponsors.

Measure: Employment in Trades 6-12 Months After Acquiring Certificate of Qualification

PERFORMANCE			TARGETS		
2008/09	2009/10	2010/11	2010/11	2011/12	2012/13
99.3%	99.6%	99.6%	99.3%	99.3%	99.3%

Proportion of former apprentices employed in relevant trades 12 months after acquiring Certificate of Qualification; based on the Apprenticeship Student Outcomes (APPSO) Survey of individuals completing technical training programs in the year ending June 30, 2009

Importance: This indicates the extent to which apprenticeship programs prepare participants to successfully pursue careers in their chosen fields as well as the quality and relevance of their training. The target is to maintain the strong baseline performance of 2008/09.

Outcomes: Results here remain high and consistent with the previous year, even as they begin to reflect the most severe period of the economic downturn. As well as showing the workplace relevance of skills developed through apprenticeship, the results also suggest a relatively limited vulnerability by journeypersons to employment loss. This could be a function of strong workforce attachment developed in mainly work-based multi-year training.

3 The industry training system makes a vital contribution to B.C.'s prosperity

Strategies

- Continue to extend scope and effectiveness of continuous improvement efforts, including a strengthened program-standards function
- Ensure effective ITO involvement in training plan development, and in efforts to build strong training cultures within specific industries
- Leverage the E-pprentice initiative to advance curriculum development in high-participation trades
- Lead national development of an occupational performance standards framework, to improve the alignment between credentials and industry requirements
- Enhance collaboration and achieve more economies of scale among Red Seal partner jurisdictions

Measure: Capacity Utilization

PERFORMANCE			TARGETS		
2008/09	**2009/10**	**2010/11**	**2010/11**	**2011/12**	**2012/13**
92.7%	92.0%	89.3%	88.5%	88.5%	TBD

Proportion of ITA-funded technical training seats filled by registered participants (weighted average of both apprenticeship and foundation programs)

Importance: This measures the efficiency of ITA spending on technical training, by far the largest of our cost components. Factors affecting 2010/11 results are recent economic conditions and declines in training participation, which resulted in more variable and reduced training demand. Maintaining high utilization targets under such circumstances would require cancellation of training intakes and this, in turn, would create adverse implications for B.C.'s long-term training delivery capacity. Targets represent a balance between efficiency and capacity maintenance objectives.

Outcomes: Performance was below that of the previous two years, but slightly exceeded the target. It had been set so as to maintain more intakes despite relatively low participation, with fewer allocations of resources away from trades programs. The labour market outlook indicates that existing capacity will be required in the mid-term, so it is preferable to avoid the high costs of capacity loss and re-establishment. Performance reflects particularly effective utilization of foundation program seats.

Maintaining the same target for 2011/12 reflects a continuing variable demand outlook (a target of 91.5% was previously set). While a defined target was also previously set for 2012/13, it is now recognized that targets for this measure will need to reflect updated outlooks and training provider input.

Measure: Apprentices Waiting >12 Months for Next Level of Training

PERFORMANCE			TARGETS		
2008/09	**2009/10**	**2010/11**	**2010/11**	**2011/12**	**2012/13**
6.2%	3.2%	2.3%	5.0%	5.0%	5.0%

The proportion of apprentices whose wait times between consecutive levels of technical training exceeds 12 months

Importance: Technical training commonly occurs at annual intervals in multi-year apprenticeship programs. Waiting longer than 12 months between levels likely indicates an inadequate training capacity that may impede participant continuation and completion. Targets are based on an analysis indicating that five per cent represents the optimal balance between minimizing wait times and maintaining good utilization of training capacity.

Outcomes: Results for 2010/11 and the previous year were strong but anomalous. The very small proportion of apprentices with wait times longer than 12 months results from two factors: temporarily lower training demand resulting from economic conditions, and ITA's decision to accept lower utilization targets to maintain training delivery capacity (see Capacity Utilization Measure, above). We anticipate wait times performance at the five per cent target level as training demand recovers.

Journeyperson Kelly Gann and
Carpenter apprentice Abby-Lynn Rieger
at BC Place Stadium.

PERFORMANCE DATA: SOURCES AND BENCHMARKS

Data Sources

ITA Direct Access is our information management system and, in addition to providing customer service functionality, is the data source for most of the performance measures included in this plan.

MEASURE	DATA SOURCE
Registered training participants	ITA Direct Access
Registered challengers	ITA Direct Access
Certificates of Qualification	ITA Direct Access
Participants in ITO-managed programs	ITA Direct Access — cross-referenced with ITO program assignments
Registered sponsors	ITA Direct Access
Employment in trades	Annual Apprenticeship Student Outcomes (APPSO) Survey
Utilization rates	ITA Direct Access — cross-referenced with technical training provider data
Waiting times	Technical training provider data

Designed for our operational and performance-management requirements, ITA Direct Access is subject to clear data-entry guidelines and business rules. Management has full confidence in the quality of the resulting data and the accuracy of additional calculations required for some performance measures. We have similar confidence in the external data sources, given the use of industry best practices and quality assurances by agencies such as BC Stats, as well as the use of consistent methodology and accuracy assurance processes for calculations of wait times.

Benchmarking

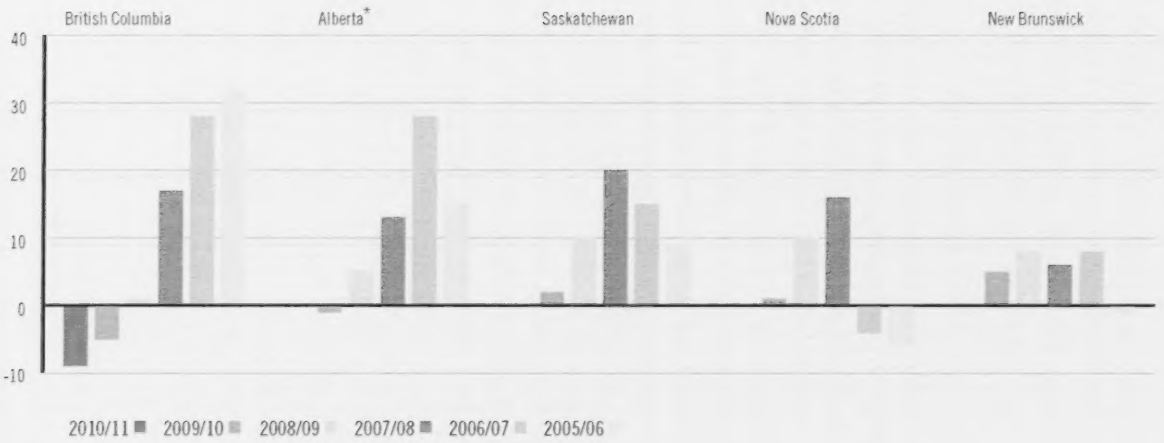
Benchmark comparisons for registered training participants and Certificates of Qualification in B.C. and four other provinces appear on the page opposite. Selections were based on the significance of the measures and comparability of data, using the most recent figures available when this report was prepared. Those comparisons indicate generally strong performance in B.C., and recent downward pressure on results across jurisdictions.

Strong comparative B.C. performance can also be seen in additional and more precise benchmarking on page 39. This compares B.C. and national pass rates for major Red Seal trades in calendar 2010. Linked to our measure of Certificates of Qualification issued, these indicate generally effective trade-specific training.

Training frameworks, programs and labour market conditions are highly variable across Canada, and this limits the utility of direct performance comparisons among different jurisdictions. Nevertheless, ITA is engaged in efforts to enhance benchmarking — including harmonization of completion-rate tracking methodologies, and moves by the Canadian Council of Directors of Apprenticeship to develop more consistent national performance metrics.

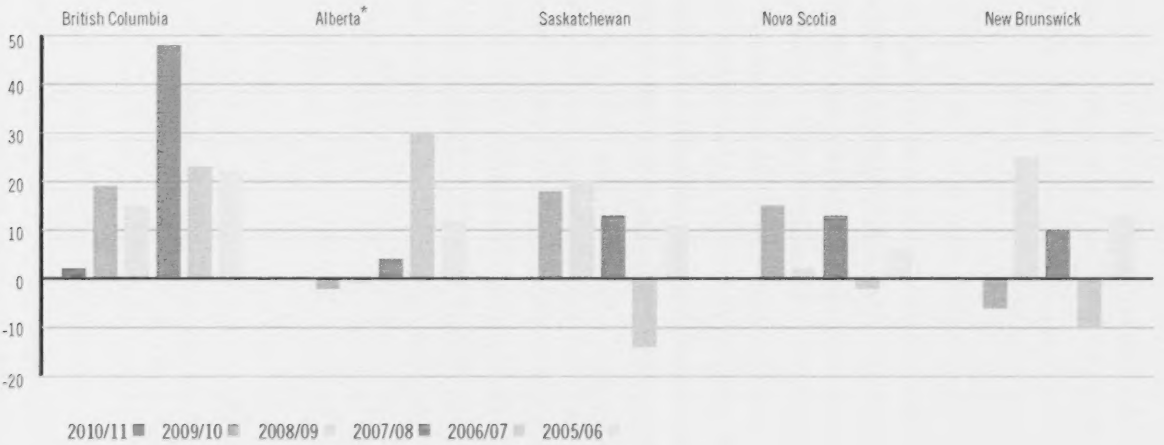
Total Participation (in percentage increase over previous period)

(B.C. Measure: Registered Apprentices and Youth)



Credentials (in percentage increase over previous period)

(B.C. Measure: Certificates of Qualification issued)



* Alberta reports performance on a calendar-year basis. 2005/06 equates to 2005, and so on.

Sources and Measures Cited:

Alberta	Alberta Apprenticeship and Industry Training Board Annual Report — Total Apprentices Registered (all trades) — Total Number of Completed Apprentices, and Individuals Issued Occupation and Qualification Certificates	**New Brunswick**	Department of Post-Secondary Education, Training and Labour Annual Report — Registered Apprentices — Certificates of Qualification Issued
Saskatchewan	Apprenticeship and Trade Certification Commission Annual Report — Number of Apprentices at Year End — Number of Completions During Year	**Nova Scotia**	Nova Scotia Labour and Workforce Development, Apprenticeship Fast Facts — Active Apprentices at Year End — Certificates of Qualification Issued

GOVERNMENT/SHAREHOLDER EXPECTATIONS

Each year, the minister responsible for ITA and the Chair of our Board sign a Shareholder's Letter of Expectations (SLE). It specifies principles and broad policy direction relevant to ITA's mandate. The letter also tasks us with specific actions to be undertaken during the year.

Signed in January 2010, the SLE for 2010/11 contained no material changes from the previous year. The table below summarizes ITA actions on SLE-defined accountabilities that are discussed throughout this report.

Relevant and responsive training	- Applied new labour market forecasts to better align activities and outcomes with mid-term demand - Completed Standards Improvement Project, with input from ITOs and public training providers, to improve efficiency and transparency of program development and modification - Addressed ongoing requirements for updates to training program profiles, outlines and exams - Continued piloting and implementation planning for enhanced assessments in B.C. trades - Facilitated national multi-jurisdiction piloting of previously developed enhanced assessment models, and consultation on wider use of such models and on occupational performance standards - Completed communication and stakeholder engagement audit as a basis for new employer engagement strategy and other initiatives - Jointly clarified respective roles of ITA and ITOs
Improve access to training for under-represented and target groups	- Continued delivery of Women in Trades Training and Immigrants in Trades Training programs under the Canada-BC Labour Market Agreement - Maintained Aboriginal Initiatives under guidance of the Aboriginal Advisory Committee, including delivery of training programs tailored to this population's needs - Implemented a new online essential skills self-assessment and learning-plan tool
Attract young people to trades training	- Continued collaborating with school districts, training providers and industry on delivery of multiple programs promoting youth recruitment and participation in trades - Extended reach of ACE IT program through e-learning programs for youth participants
Efficient, effective and flexible training delivery	- Applied new labour market forecasts to better align activities and outcomes with mid-term demand - Moderated capacity utilization targets to ensure maintenance of enough training capacity to meet mid-term future needs - Continued adjusting technical training intakes in response to varying program, level and region-specific demands - Promoted and facilitated training continuation for apprentices experiencing employment interruption - Made proportionately high resource allocations to foundation programs - Continued development of e-learning delivery models

Labour mobility	- Maintained compliance with mutual-recognition provisions of Trade, Investment and Labour Mobility Agreement (B.C.-Alberta) and Agreement on Internal Trade (national) - Continued piloting and implementation planning for enhanced assessments in B.C. trades - Facilitated national multi-jurisdiction piloting of previously developed enhanced assessment models as well as consultation on wider use of such models and on occupational performance standards
Customer service	- Continued to expand Direct Access information system, including piloting user status for sponsors and apprentices - Made operational changes at ITA customer service centre, including increasing call volumes and creating system of specialized representatives without expanding staff
Carbon neutral action	- Maintained new lower carbon IT infrastructure, use of 100 per cent recycled paper, and use of extensive audiovisual conferencing to reduce business travel

As we enter the Human Age, when human spirit and potential will become the driving force behind enterprise and innovation, having the right people in the right place at the right time becomes more critical than ever.

ManpowerGroup 2011 Global Talent Shortage Survey

MANAGEMENT'S DISCUSSION & ANALYSIS >>

Total ITA revenues for the year were consistent with the previous year and moderately above budget, while expenditures of several types trended down and resulted in overall spending that was somewhat below budget.

The continued impact of recent economic conditions served to moderate training demand, thus impacting the scope of training delivery. ITA responded with spending allocations designed in part to maintain an appropriate level of training capacity through this temporary trough, which will result in alignment with mid-term labour market demand.

Core provincial funding was consistent with budget, and the positive variance in the total provincial contribution was largely due to higher usage in 2010/11 of funds available through the Canada-BC Labour Market Agreement (LMA). This followed lower usage the previous year, and overall LMA spending remains consistent with average annual allocations expected over the six-year life of the agreement. These funds are used for service delivery that targets specific groups. ITA also accessed additional provincial funding to support completion of its Standards Improvement Project.

Direct federal contributions were lower than budgeted because e-learning development was more moderate than expected. This was offset by federal funding to support ITA activities at the national level relating to occupational performance standards and enhanced assessment models. The net result was that federal contributions were higher in 2010/11 than in the previous year. Royalty income was higher due to the timing of receipt of revenue earned under a curriculum licensing and updating agreement with the Queen's Printer (previously included in Other Income).

Lower demand for training due to the impact of economic conditions accounted for the decreased training delivery expenditure. It is expected that this moderated demand level, relative to the previous four years, will continue for the short term and ITA is working with training providers to align training capacity with the mid-term regional economic needs of the province as forecasted in government's Labour Market Scenario Model.

Spending on labour supply initiatives (LMA projects), in contrast, was higher than budget, as a result of a carry-over of unspent 2009/10 funds. These programs are aimed at increasing participation by women, immigrants and Aboriginal people, as well as flexible learning and enhanced assessment initiatives (see page 8 and 10). The programs were largely paid for through funds available under the LMA, which is included in the provincial contribution.

ITA also increased its investment in the services provided by ITOs to ITA. During the year there was an intentional reduction of standards-related activity pending completion of the Standards Improvement Project. These funds were re-directed toward industry engagement activity through the ITOs. A number of ITOs also participated in activity associated with developing enhanced assessment for specific trades.

Other expenditures reflected the expenses resulting from the increased investment by the provincial and federal governments in specific projects (e.g. Standards Improvement Project, national occupational performance standards and enhanced assessment models). A number of staffing vacancies through the year contributed to a temporarily reduced investment in ITA's human resources.

In the net result, ITA had an increased surplus of revenue over expenses for the year and, as required, this will be transferred to capital reserve. Among other initiatives, this reserve will continue to be used to support ongoing rollout of full functionality of ITA's new information management system. Direct Access has accounted for a significant proportion of recent capital expenditures of approximately $1 million annually.

Further discussion of risks and opportunities impacting operational and financial performance in 2010/11 is found under the "Operating Environment" heading on page 10.

Summary of Financial Results 2006 to 2011 and Financial Forecast 2012 to 2014

Statement of Operations (in $ millions) For Fiscal Years Ending

	Notes	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2011 Budget	Variance Budget	Variance Prior Year	2012 Forecast	2013 Forecast	2014 Forecast
REVENUE													
Contributions from the Province	1	$ 77.8	$ 90.8	$ 97.6	$103.4	$ 112.8	$ 111.6	$ 110.5	$ 1.1	$ (1.2)	$ 107.3	$102.4	$ 102.1
Contributions from the Government of Canada		—	—	—	—	0.1	0.6	1.9	(1.3)	0.5	0.3	0.1	0.1
Other Income		0.7	1.1	1.3	0.9	0.9	1.1	0.5	0.6	0.2	1.0	1.1	1.1
Total Revenue		**78.5**	**91.9**	**98.9**	**104.3**	**113.8**	**113.3**	**112.9**	**0.4**	**(0.5)**	**108.6**	**103.6**	**103.3**
EXPENDITURES													
Standards Development	2 & 3	1.4	2.8	2.8	3.3	1.6	2.6	3.0	(0.4)	1.0	2.8	2.8	2.8
Industry Engagement: Non Standards Work	3	0.6	1.2	1.9	2.5	3.4	3.6	3.4	0.2	0.2	3.4	3.4	3.4
Assessment & Certification	4	—	—	0.3	0.7	1.4	1.9	2.8	(0.9)	0.5	2.4	2.4	2.5
Training Delivery	5	69.2	75.3	79.2	79.5	82.3	79.3	85.1	(5.8)	(3.0)	78.5	74.3	74.2
Labour Supply Initiatives (Including Youth Programs)	6	2.9	5.0	5.8	8.1	13.5	14.1	10.3	3.8	0.6	11.6	11.2	11.0
ITA Core Expenditures	7	5.7	6.6	7.4	8.2	9.0	7.8	7.7	0.1	(1.2)	9.2	8.8	8.6
Amortization		0.1	0.3	0.6	0.5	0.5	0.6	0.6	—	0.1	0.7	0.7	0.8
Total Expenditures		**79.9**	**91.2**	**98.0**	**102.8**	**111.7**	**109.9**	**112.9**	**(3.0)**	**(1.8)**	**108.6**	**103.6**	**103.3**
Surplus (Deficit) Transferred to Capital Reserve		**$ (1.4)**	**$ 0.7**	**$ 0.9**	**$ 1.5**	**$ 2.1**	**$ 3.4**	**$ —**	**$ 3.4**	**$ 1.3**	**$ —**	**$ —**	**$ —**
Purchase of Capital Assets		0.3	2.2	1.2	1.2	1.2	1.1	1.2	(0.1)	(0.1)	1.2	1.2	1.2

The above information, including forecast information, was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).

Some expenditures under Standards Development, Industry Engagement, Assessment & Certification, Training Delivery and Labour Supply Initiatives are categorized in a different manner than in previous years' annual reports, for better alignment with the ITA's mandate, strategic plan and current service plan.

Notes

1 Deferred contributions from the province included in Contributions from the Province.

2 Mobile Trainer expenses included in Standards Development ending in 2010.

3 Standards Development expenses for Industry Training Organizations and ITA.

4 Assessment for 2006–2007 was bundled with Customer Services provided by Service BC. In 2008 the contract ended and these salaries and benefits became part of ITA Core Expenditures. Assessment & Certification includes Multiple Assessment Pathways costs.

5 Includes apprenticeship and foundation programs, E-pprentice development and delivery, and QP Curriculum Development.

6 Includes Aboriginal, Immigrants, Women and Youth programs.

7 Salaries and benefits are included in ITA Core Expenditures.

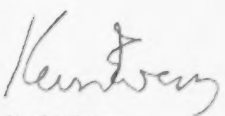
INDUSTRY TRAINING AUTHORITY
STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING >>

The Industry Training Authority's (ITA) management is responsible for the preparation of the accompanying financial statements in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. These financial statements include some amounts based on management's estimates and judgments.

Management is responsible for the integrity and fairness of the financial statements and has established internal control systems to provide reasonable assurance that relevant and reliable financial information is produced and that assets are safeguarded.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities and relies on the Audit Committee to assist the Board in the discharge of its responsibilities. The Audit Committee meets periodically with management and external auditors concerning internal controls and all other matters relating to financial reporting.

The Industry Training Authority's auditor is the Auditor General of British Columbia. The Auditor General has full and unrestricted access to the Audit Committee. The Auditor General has performed an independent audit of the financial statements for the ITA in accordance with Canadian generally accepted auditing standards. The Auditor General's report outlines the scope of this independent audit and his opinion on the financial statements of the ITA.



Kevin Evans
Chief Executive Officer

Sue Thomas, CA
Chief Financial Officer

Richmond, British Columbia
May 17, 2011

INDEPENDENT AUDITOR'S REPORT >>

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Industry Training Authority, and
To the Minister of Jobs, Tourism and Innovation, Province of British Columbia

Report on the Financial Statements

I have audited the accompanying financial statements of the Industry Training Authority, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines, is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Industry Training Authority as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Victoria, British Columbia
May 17, 2011

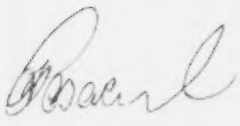
John Doyle, MAcc, CA
Auditor General

INDUSTRY TRAINING AUTHORITY
STATEMENT OF FINANCIAL POSITION

As at March 31, 2011

	Note	2011	2010
ASSETS			
Cash and Cash Equivalents		$ 8,896,141	$ 6,584,833
Accounts Receivable	3	4,393,541	4,156,783
Prepaid Expenses	4	590,225	630,397
		13,879,907	11,372,013
Capital Assets	5	3,751,428	3,222,568
		$ 17,631,335	$ 14,594,581
LIABILITIES			
Accounts Payable and Accrued Liabilities	6, 14	$ 5,248,149	$ 5,582,489
Deferred Contribution	7	782,312	782,312
Deferred Capital Contributions	8	8,824	30,064
		6,039,285	6,394,865
NET ASSETS			
Invested in Capital Assets		3,742,605	3,192,505
Unrestricted	9	7,849,445	5,007,211
		11,592,050	8,199,716
		$ 17,631,335	$ 14,594,581
Commitments	13		
Contingent Liability	14		

The accompanying notes are an integral part of these financial statements.



Frank Pasacreta
Chair, Board of Directors

Jack Carthy
Chair, Audit Committee

INDUSTRY TRAINING AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended March 31, 2011

	Invested in Capital Assets	Unrestricted	Total 2011	Total 2010
Balance, Beginning of Year	$ 3,192,505	$ 5,007,211	$ 8,199,716	$ 6,058,042
Excess of Revenues over Expenses for the Year	—	3,392,334	3,392,334	2,141,674
Invested in Capital Assets:				
Cost	1,118,880	(1,118,880)	—	—
Amortization	(568,780)	568,780	—	—
Balance, End of Year	$ 3,742,605	$ 7,849,445	$ 11,592,050	$ 8,199,716

The accompanying notes are an integral part of these financial statements.

INDUSTRY TRAINING AUTHORITY
STATEMENT OF OPERATIONS >>

For the Year Ended March 31, 2011

	Note	2011	2010
Revenues			
Contributions from the Province		$ 111,614,054	$ 111,693,375
Contributions from the Federal Government		634,380	97,093
Royalties (Queen's Printer)	15(c)	452,190	329,053
Examination and Assessment Fees		312,294	272,870
Interest Income		242,756	120,454
Designation Fees		28,965	36,113
Other Income		3,521	106,529
Deferred Capital Contribution Recognition — Mobile Training Unit Transfer	15(d)	—	1,118,514
		113,288,160	113,774,001
Expenses			
Contributions to Training Providers		84,638,290	87,558,840
Labour Market Agreement Projects / Aboriginal Labour Supply Initiatives	10	9,593,775	8,732,852
Industry Training Organizations	11	5,844,874	4,648,773
Salaries and Benefits	12,14	3,945,094	4,452,383
Information Systems Operating Costs		1,266,390	1,141,432
Professional Services		932,579	599,763
General Office and Business Expenses		623,085	752,987
Amortization of Capital Assets		590,020	458,422
Exams and Invigilation		548,619	458,953
Building Occupancy Charges		393,370	359,381
Curriculum Costs (Queen's Printer)	15(c)	250,131	181,681
Communications and Marketing		244,722	225,989
Travel		243,705	157,241
Secondary School Apprenticeship (SSA) Scholarships		219,000	299,000
Industry Engagement — Non ITO		216,000	—
Board Fees and Expenses		178,494	157,711
Program Development Costs — Non ITO		167,678	328,405
Transfer of Mobile Training Unit	15(d)	—	1,118,514
		109,895,826	111,632,327
Excess of Revenues over Expenses for the Year		$ 3,392,334	$ 2,141,674

The accompanying notes are an integral part of these financial statements.

INDUSTRY TRAINING AUTHORITY
STATEMENT OF CASH FLOWS

For the Year Ended March 31, 2011

	2011	2010
Cash Provided By (Used For):		
Operating Activities		
Excess of Revenues over Expenses for the year	$ 3,392,334	$ 2,141,674
Items not affecting Cash:		
Amortization of Deferred Capital Contributions	(21,240)	(1,139,754)
Amortization of Capital Assets	590,020	458,422
Transfer of Capital Asset	—	1,118,514
Changes in Working Capital:		
Decrease (Increase) in Accounts Receivable	(236,758)	(1,614,975)
Decrease (Increase) in Prepaid Expenses	40,172	542,255
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(334,340)	(876,157)
	3,430,188	629,979
Investing Activities		
Purchase of Capital Assets	(1,118,880)	(1,190,177)
Increase (Decrease) in Cash	2,311,308	(560,198)
Cash and Cash Equivalents, Beginning of Year	6,584,833	7,145,031
Cash and Cash Equivalents, End of Year	$ 8,896,141	$ 6,584,833
Represented by:		
Bank Account — Operating	$ 8,852,758	$ 6,547,481
Bank Account — Program	43,083	37,052
Petty Cash	300	300
	$ 8,896,141	$ 6,584,833

The accompanying notes are an integral part of these financial statements.

INDUSTRY TRAINING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2011

1. Authority and Purpose

Industry Training Authority (ITA) was established on January 2, 2004 as a not for profit corporation and an agent of the Province of British Columbia under the *Industry Training Authority Act*. Its Board of Directors consists of nine members appointed by the Province.

ITA is mandated to govern, expand and improve British Columbia's industry training system. It serves the public interest in seeing industry's needs for skilled labour are met, while providing individuals with accessible technical training opportunities that are closely linked to workplace opportunities.

ITA's mandate and accountabilities are defined in the *Industry Training Authority Act*. Further direction and accountability are provided through a Shareholder's Letter of Expectations, executed jointly by ITA and the Minister of Jobs, Tourism and Innovation.

ITA receives substantially all of its funding from the Province of British Columbia through the Ministry of Jobs, Tourism and Innovation. It is exempt from income tax under the *Income Tax Act*.

2. Significant Accounting Policies

These financial statements are prepared by management in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. The following is a summary of significant accounting policies used in the preparation of these financial statements.

(a) Revenues and Expenses

ITA follows the deferral method of accounting for contributions. Operating contributions from the Province are recognized as revenue in the period in which they become receivable. Capital or other restricted funding is deferred and recognized as revenue in the period in which the related expenses are incurred.

Contributions payable to Post Secondary Institutions and other service providers for training programs are recognized as expenses in the period in which the transactions and events giving rise to the contributions have occurred.

(b) Capital Assets

Capital assets are recorded at cost and are depreciated on a straight-line basis over their estimated useful life:

Mobile Trainer	10 years
Hardware and Software	3 – 5 years
ITADirectAccess	10 years
Furniture and Tools	3 years
Leasehold Improvements	3 – 5 years

(c) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. ITA has designated cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities as held for trading and measured them at fair value, which approximates their carrying value due to the immediate or short-term maturity of these instruments. ITA has elected to continue to apply the financial instruments disclosure and presentation standards in accordance with Section 3861.

It is management's opinion that ITA is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(d) Use of Estimates

The preparation of the financial statements of ITA requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the rates for amortization, ACE IT program liabilities and contingent liabilities. Actual results could differ from estimates.

INDUSTRY TRAINING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2011

(e) Future Accounting and Reporting Changes

The Public Sector Accounting Board sets out the applicable source of Generally Accepted Accounting Principles to be applied by Canadian government organizations. ITA is classified as a government not-for-profit organization ("GNPO"). Under the direction of the Public Sector Accounting Standards Board ("PSAB"), ITA currently adheres to the standards for not-for-profit organizations ("NPOs") in the CICA Handbook.

Recent revisions to the introduction of the PSAB Handbook require ITA to report under the PSAB Handbook. Within the PSAB Handbook, GNPO's are provided the option of incorporating specific not-for-profit accounting provisions; however, the Province of British Columbia has directed ITA to adopt the PSAB Handbook without the incorporation of these optional not-for-profit provisions in its fiscal period beginning April 1, 2011. Conversion to the PSAB Handbook will result in significant changes to both the recognition and measurement of certain accounts and to the overall presentation of the financial statements including disclosures.

ITA has been directed by the Province's Treasury Board to consult with the Office of the Comptroller General for guidance prior to adopting accounting policy choices and elections related to the transition to the new accounting standards.

ITA is currently evaluating the impacts of the change in accounting framework on its financial statements.

3. Accounts Receivable

	2011	2010
Province of British Columbia	**$ 3,108,248**	$ 3,839,647
Government Related Entities	**1,557**	198,690
Federal Government	**1,254,973**	107,882
Trade and Other	**28,763**	10,564
	$ 4,393,541	$ 4,156,783

The Accounts Receivable Province of British Columbia is for the Labour Market Agreement project which is on a cost recovery basis from the Ministry of Jobs, Tourism and Innovation. The Federal Receivable includes amounts for the cost recovery programs for Multiple Assessment Program and Occupational Program Standards as well as for Harmonized Sales Tax rebate.

4. Prepaid Expenses

	2011	2010
Private Trainers	**$ 393,266**	$ 436,373
Interprovincial Computerized Exam Management	**107,122**	104,765
Operational Expenses	**89,837**	89,259
	$ 590,225	$ 630,397

INDUSTRY TRAINING AUTHORITY
NOTES TO FINANCIAL STATEMENTS >>

For the Year Ended March 31, 2011

5. Capital Assets

	Cost	2011 Accumulated Depreciation	2011 Net Book Value	2010 Net Book Value
Hardware and Software	$ 1,247,758	$ 868,989	**$ 378,769**	$ 453,581
ITADirectAccess	4,285,055	966,297	**3,318,758**	2,636,575
Furniture and Tools	307,733	280,295	**27,438**	35,650
Leasehold Improvement	280,120	253,657	**26,463**	96,762
	$ 6,120,666	$ 2,369,238	**$ 3,751,428**	$ 3,222,568

6. Accounts Payable and Accrued Liabilities

	2011	2010
Trade	**$ 2,863,330**	$ 2,427,718
Province of British Columbia	**222,686**	594,966
Public Training Institutions	**694,614**	212,606
School Districts	**985,422**	1,686,750
Federal Government	**140,208**	104,945
Accrued Salaries and Benefits	**341,889**	555,504
	$ 5,248,149	$ 5,582,489

7. Deferred Contribution

The deferred contribution represents unspent resources externally restricted for the Youth Exploring Skills to Industry Training (YES 2 IT) program.

	2011	2010
Balance, beginning of year	**$ 782,312**	$ 782,312
Amount recognized as revenue	**—**	—
Balance, end of year	**$ 782,312**	$ 782,312

8. Deferred Capital Contributions

	2011	2010
Balance, beginning of year	**$ 30,064**	$ 1,169,818
Amount amortized to revenue	**(21,240)**	(1,139,754)
Balance, end of year	**$ 8,824**	$ 30,064

The capital contribution for the Mobile Training Unit was recognized in 2010. The yearend balances are for the Deferred Tenant Improvement Allowance.

INDUSTRY TRAINING AUTHORITY
NOTES TO FINANCIAL STATEMENTS >>

For the Year Ended March 31, 2011

9. Unrestricted Net Assets

The unrestricted net assets can be used for investment in capital assets or, with the prior approval of the Treasury Board, for meeting operating expenses in future years.

10. Labour Market Agreement Projects/Aboriginal Labour Supply Initiatives

The Canada-British Columbia Labour Market Agreement (LMA) was signed on February 20, 2008. British Columbia, represented by the Ministry of Jobs, Tourism and Innovation, receives multi-year funding from Human Resources and Skills Development Canada. The purpose of this funding is to assist individuals to prepare for entry or return to employment. The program expenses are funded on a cost recovery basis from the Ministry of Jobs, Tourism and Innovation. Salaries and benefits of $472,062 (2010 - $527,468) are included in this recovery.

	2011	2010
Trades Training for New Immigrants	**$ 1,416,735**	$ 1,008,221
Flexible Learning in the Trades	**590,152**	1,258,503
Aboriginal Apprenticeship Strategy	**1,944,280**	1,240,189
Multiple Assessment Pathways	**422,629**	989,456
Empowering Women in Trades	**4,066,945**	4,143,004
LMA Funded	**$ 8,440,741**	$ 8,639,373
Aboriginal Apprenticeship Strategy ITA Funded	**290,930**	93,479
Multiple Assessment Pathways ITA Funded	**497,289**	—
Multiple Assessment Pathways (HRSDC) Funded	**364,815**	—
	$ 9,593,775	$ 8,732,852

11. Industry Training Organizations

In keeping with its Shareholder Letter of Expectations from the Province, ITA purchases services to support active and effective industry engagement and leadership through Industry Training Organizations (ITOs) including obtaining industry input in relation to program standards and training demand for each applicable industry sector.

The ITO Enterprise Partnership Agreements are for; the development of new, or modification of existing program standards; industry engagement; challenge assessment; and, promotion of apprenticeship. ITA does not assume any liability for the ITOs.

The payments to ITOs were:

	2011	2010
AITO	**$ 641,507**	$ 678,000
CITO	**1,958,587**	1,539,871
HEBC	**265,500**	225,000
Propel	**727,000**	608,000
RCITO	**450,000**	298,228
RTO	**1,119,780**	835,000
TransCDA	**682,500**	463,737
	5,844,874	4,647,836
Other Related Costs	—	937
	$ 5,844,874	$ 4,648,773

INDUSTRY TRAINING AUTHORITY
NOTES TO FINANCIAL STATEMENTS ››

For the Year Ended March 31, 2011

12. Employees' Pension Plan and Benefits Plan

(a) Benefits

ITA pays 100% of premiums relating to a comprehensive benefits plan for its employees including: extended medical, dental and life insurance. Payments made by ITA were $179,302 (2010 – $178,225). ITA has no liability for future benefit obligations.

(b) Public Service Pension Plan

ITA and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pensions Act.* The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the Act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2008) determined the Plan has a surplus. Despite the surplus, the Public Service Pension Board of Trustees is required to implement a contribution rate increase of 0.15% each, for plan members and employers to meet the funding requirements of the *Pension Benefits Standards Act.* The increase in rates went into effect April 1, 2009. Contributions to the Plan by ITA for the fiscal year were $317,604 (2010 – $310,514).

13. Commitments

ITA has operating lease obligations for premises and copiers.

	Leases	Copiers	Total
2012	$ 277,910	$ 11,976	$ 289,886
2013	204,714	11,976	216,690
2014	204,714	11,976	216,690
2015	204,714	5,988	210,702
2016	204,714		204,714
2017–2022	1,167,848		1,167,848
	$ 2,264,614	$ 41,916	$ 2,306,530

14. Contingent Liabilities — Pension

ITA has adjusted the accrual for an obligation arising from employees' potential voluntary purchases of past service in the Public Service Pension Plan to $81,000 (2010 – $400,000). This change in accrual has been reflected in the current year Statement of Operations.

INDUSTRY TRAINING AUTHORITY
NOTES TO FINANCIAL STATEMENTS >>

For the Year Ended March 31, 2011

15. Related Party Transactions

(a) Province

ITA is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately are considered to be in the normal course of operations and are recorded at the exchange amount which is the amount of consideration established and agreed to by the related parties. The significant related party transactions include contributions to Post Secondary Institutions of $73,735,000, School Districts of $3,855,420, Secondary School Apprenticeship Scholarships through the Ministry of Education of $219,000 and payments for leased facilities through the Ministry of Labour, Citizens' Services and Open Government — Integrated Workplace Solutions for $393,370.

(b) Board and Employees

Payments of $1,789,000 (2010 – $1,500,000), $295,000 (2010 – $310,000) and $216,000 were made to three separate not-for-profit societies, each of whose Boards included a board member, employee or former employee of ITA. An employee's spouse, as a contractor was paid $948. The Board members and employees did not participate in the approval of the payments. A former employee was a part time instructor at one of the post secondary institutions funded to provide training delivery and was a member of the Board of Trustees for the Public Service Pension Plan.

(c) Queen's Printer

ITA has a licensing agreement with the Queen's Printer for ITA copyrighted learning materials. Included in this agreement is a business model to support the self financed updating of curriculum.

(d) Mobile Trainer

For the year ended March 31, 2009 the Province of British Columbia requested ITA to transfer the mobile trainer and tools to Nicola Valley Institute of Technology, a related party. The transfer of the mobile trainer and tools on April 1, 2009 at its book value of $1,118,514 has no impact on ITA's Statement of Operations. The expense for the disposal of the mobile trainer and tools is offset by the recognition of the deferred capital contribution revenue.

16. Economic Dependence

Operations for ITA are dependent on continued funding from the Ministry of Jobs, Tourism and Innovation to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of ITA as a "going concern".

17. Capital Disclosure

ITA receives funding from the Province of British Columbia through the Ministry of Jobs, Tourism and Innovation. ITA defines capital to be net assets. ITA cannot incur debt. Funding received for designated purposes must be used for the purpose outlined in the funding letter.

The unrestricted net assets can be used for investment in capital assets or, with the prior approval of the Treasury Board, for meeting operating expenses in future years. Capital plans are developed and monitored to ensure capital is spent appropriately.

ITA has complied with the external restrictions on the funding provided.

18. Comparative Figures

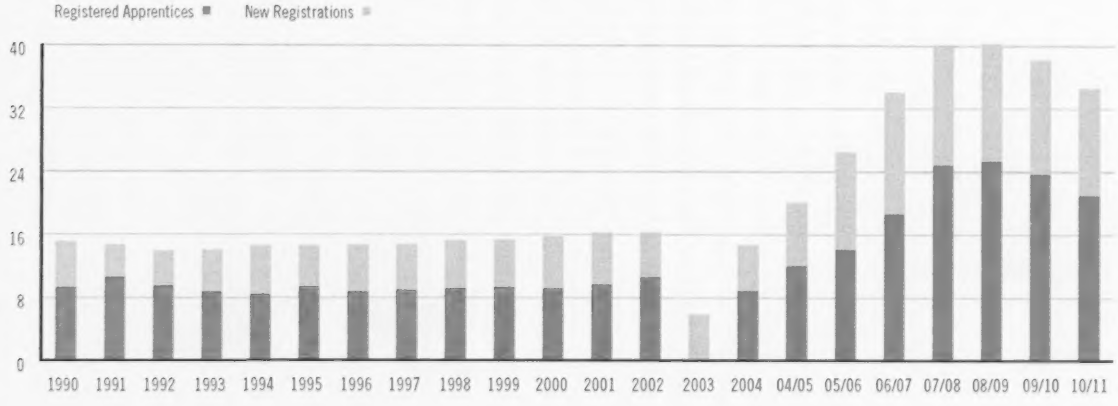
Certain comparative figures have been reclassified to conform to the current year's presentation.

KEY STATISTICS >>

The full bars in these graphs represent the total number of registered apprentices at the end of the relevant time period. The grey sections of the bars represent the proportion of that total made up of new registrations during the period. Registered apprentice figures from 1990–2002 and those from 2004 onward are not precisely comparable — as a result of the implementation of refined classification and tracking procedures — but provide an indication of relative participation levels over time. Sufficiently comparable numbers are not available for the 2003 transitional period immediately prior to when the ITA was formed and only the new registration figure is shown for that time period.

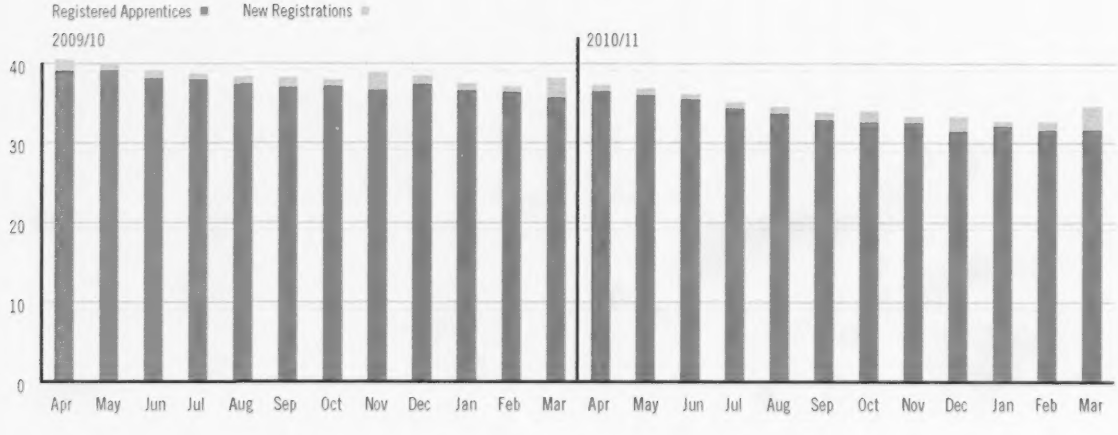
Historic Performance: Registered Apprentices and New Registrations

(in thousands)



Recent Performance: Registered Apprentices and New Registrations

(in thousands)



Figures include youth participants and exclude foundation program participants

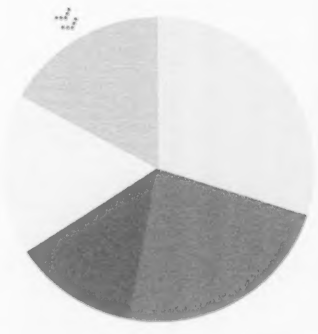
Training Participants

(all registered apprentices as of March 31, 2011)

By Age

Clockwise from marked :

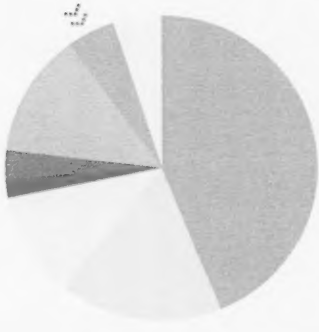
- 19 & Under 17%
- 20 – 24 30%
- 25 – 29 23%
- 30 – 34 13%
- 35 & Above 17%



By Region

Clockwise from marked :

- Kamloops-Cariboo 5%
- Kootenays 5%
- Lower Mainland 44%
- Vancouver Island 17%
- Okanagan 11%
- Northwest 2%
- Northeast 3%
- Prince George 5%
- Fraser Valley 8%



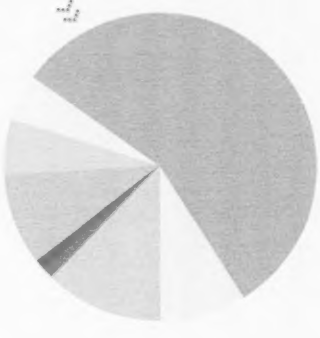
Operating Industry Training Organizations: Scope of Responsibilities

Number of Registered Apprentices

as of March 31, 2011

Clockwise from marked :

- 19,449 Construction Industry Training Organization
- 3,062 Automotive Training Standards Organization
- 4,220 Resource Training Organization
- 439 Residential Construction Industry Training Organization
- 400 HortEducation BC
- 3,297 Propel – go2
- 2,009 Transportation Career Development Association
- 1,729 Un-assigned



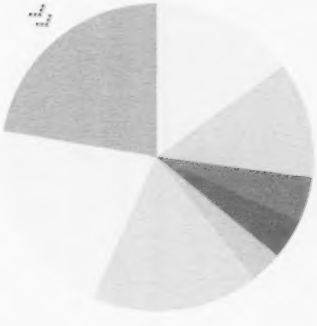
Total Registered Apprentices: 34,605

Number of Programs

as of March 31, 2011

Clockwise from marked :

- 33 Construction Industry Training Organization
- 22 Automotive Training Standards Organization
- 18 Resource Training Organization
- 7 Residential Construction Industry Training Organization
- 6 HortEducation BC
- 5 Propel – go2
- 25 Transportation Career Development Association
- 31 Un-assigned

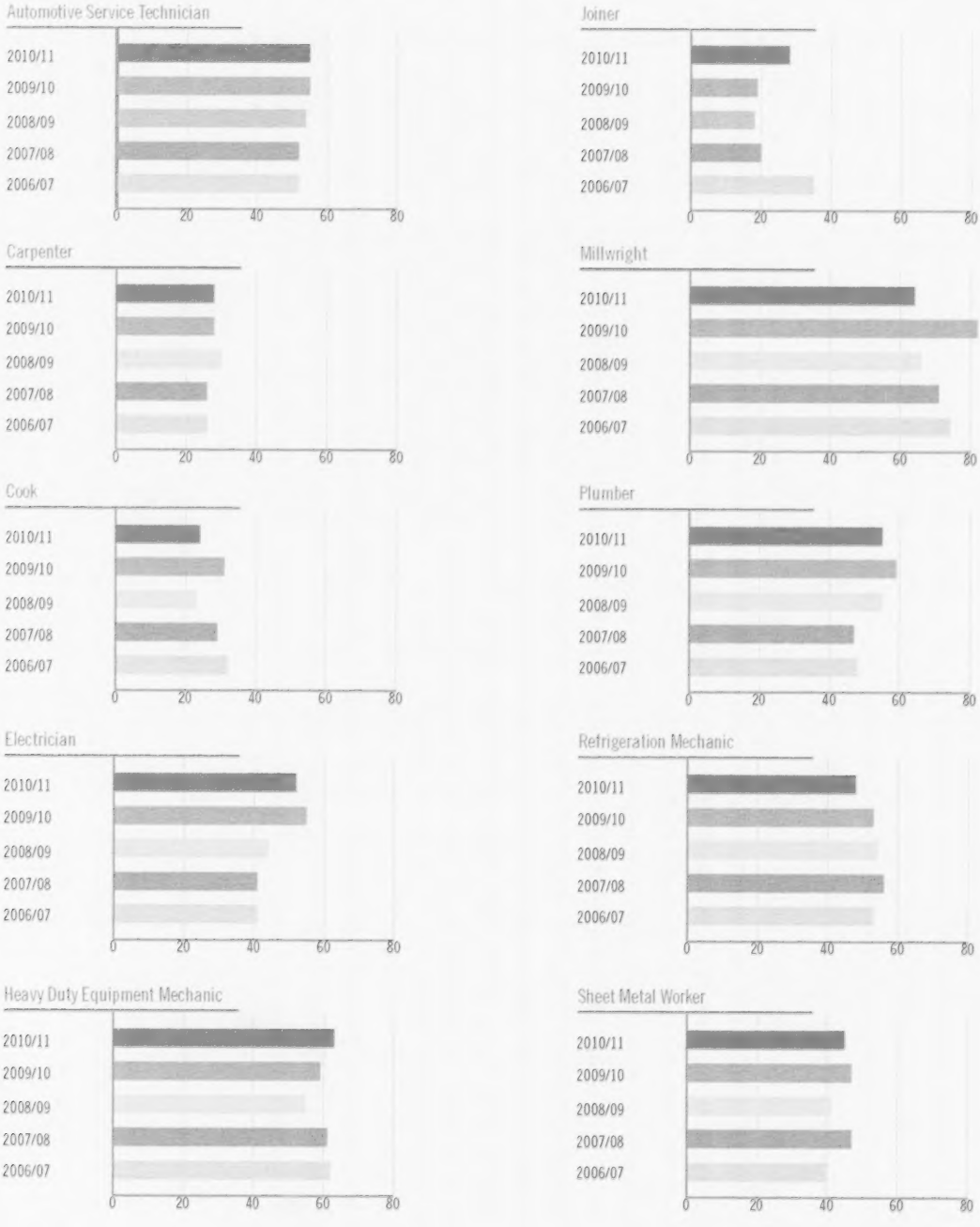


Total Programs: 147

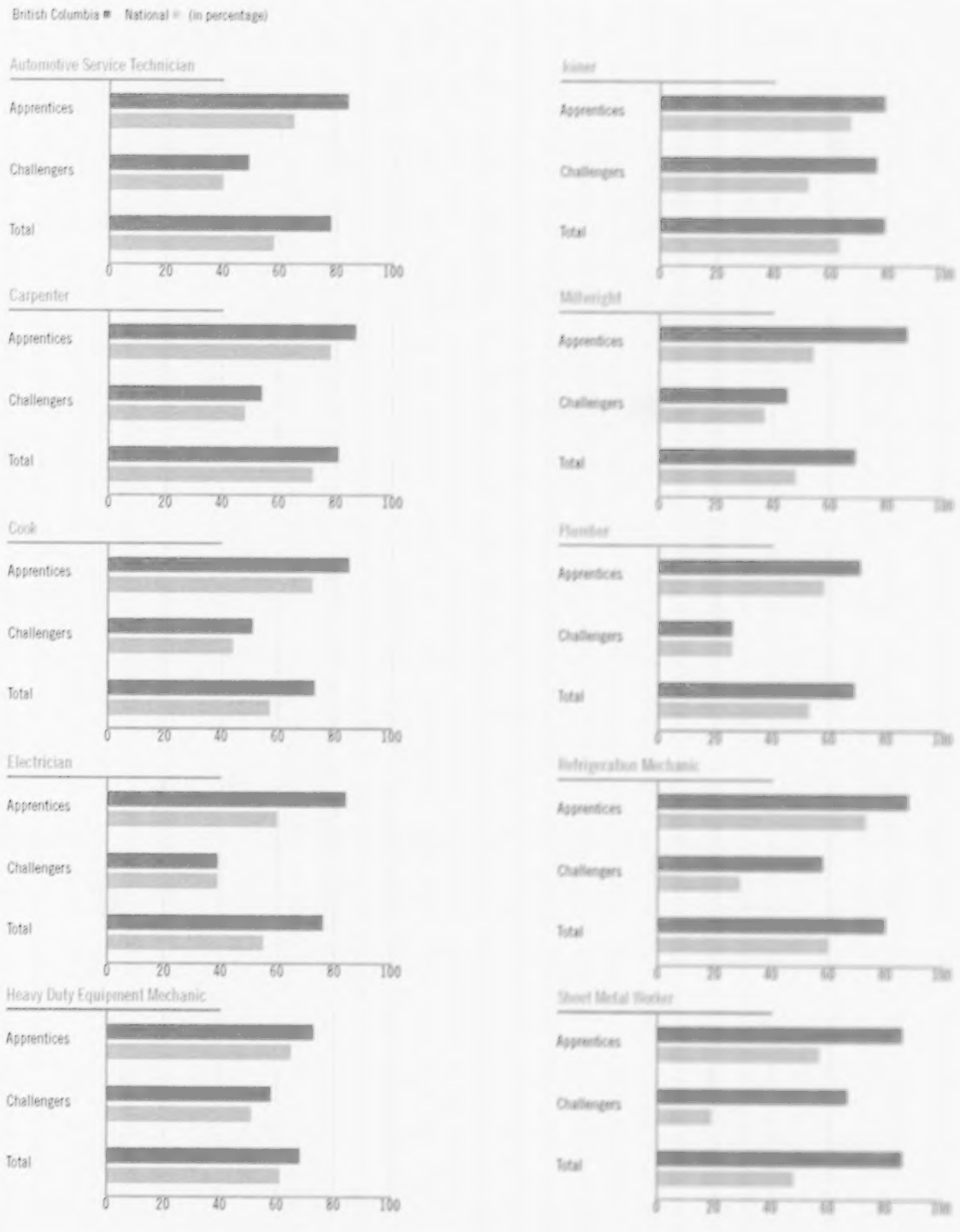
Figures include youth participants and exclude foundation program participants

Completion Rates, Major Red Seal Trades

(average in percentage)



Examination Pass Rates, Major Red Seal Trades, 2010



Results are for calendar year and are based on number of exams written

GLOSSARY

Apprentice
A person who registers with the Industry Training Authority and pursues an industry training program — combining work-based training with technical or institution-based training — with the intent of obtaining an industry training credential.

Challengers/Challenge Process
Individuals who have not participated in a formal apprenticeship program in Canada, but who have been assessed and approved to undergo final certification assessment requirements based on their prior experience and existing skills.

Credential/Certification
Recognition that an individual has met the requirements of an industry training program either through participation in a formal apprenticeship program or through a challenge process. In B.C., credentials take the form of provincial Certificates of Qualification (often issued with inter-provincial or Red Seal endorsements), Certificates of Apprenticeship, and Certificates of Completion (foundation programs).

Direct Access
An information management system designed to track system-wide performance, and provide apprentices and sponsors with the ability to register, access program information, check transcripts, enter training hours and trigger recommendation letters. Rollout of access to the system for these and other external users began in 2010/11.

Enhanced Assessment
Any of a range of standards-based means of assessing competency — such as interviews and observation of the practical application of defined skills — that are alternatives to written examinations.

Foundation Programs
Pre-apprenticeship and primarily school-based programs (including those formerly known as Entry Level Trades Training Programs) directly aligned with apprenticeship programs, and providing an entry point by which participants can earn credit for level 1 technical training without the need for a sponsor who has committed to provide work-based training.

Industry Training Organization
An industry-directed, not-for-profit legal entity with responsibility for developing and managing industry training programs province-wide within a particular economic sector (e.g. horticulture, residential construction, automotive repair, transportation, ICI Construction).

Industry Training Program
Any of a number of occupation-specific programs involving defined competencies and standards, assessment tools and a credential to be awarded upon successful completion. Includes both apprenticeship and foundation programs.

Journeyperson
A person who holds a credential in one or more trades.

Labour Market Agreement
Bilateral agreements under which the federal government provides funding for specific labour market initiatives for which the province then assumes responsibility to design and deliver.

Occupational Performance Standards
Precise documentation of the level of workplace performance, based on defined criteria, expected by industry of a competent individual within a particular occupation.

Red Seal
A national program providing a standardized endorsement for specific occupations/trades and allowing for greater labour mobility across provincial/territorial boundaries. Upon successful completion of a Red Seal exam, a Red Seal endorsement is added to the provincial credential.

Sponsor
A qualified individual or other legal entity (often, but not necessarily, an employer) that commits to ensuring that an apprentice receives work-based training relevant to his or her industry training program, and under the direction of one or more qualified individuals.

Technical Training
The institution-based (in-class or distance education) component of an industry training program that provides a combination of theoretical knowledge and practical skills to complement work-based training.

Trade, Investment and Labour Mobility Agreement (TILMA)
An agreement between B.C. and Alberta, which came into full force in April 2009, which aims to eliminate barriers to trade, investment and labour mobility between the two provinces.

Utilization Rates
The proportion of available spaces within ITA-funded technical training programs that were actually filled by training participants (including programs offered at public post-secondary institutions, by private trainers, and as part of pilot programs).

ita
industry training authority

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